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SENATE BILL 723

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Leonard Lee Rawson

AN ACT

RELATING TO WORKERS' COMPENSATION; ENACTING A NEW SECTION OF
THE WORKERS' COMPENSATION ACT TO PROHIBIT A CONTRACTOR FROM
REQUIRING A SUBCONTRACTOR TO OBTAIN WORKERS' COMPENSATION
INSURANCE COVERAGE FROM A SPECIFIC INSURER; MAKING EXCEPTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Workers' Compensation Act
is enacted to read:

" [NEW MATERIAL] MANDATING COVERAGE FROM A SPECIFIC
INSURER. --

A. Except as provided in Subsection B of this
section, a contractor shall not mandate, directly or
indirectly, or as a condition or prerequisite in a contract or
in a request for bids or proposals, that a subcontractor obtain
workers' compensation coverage from a specific insurer or under

underscored material = new
[bracketed material] = delete

1 a specific policy if the subcontractor:

2 (1) has a certificate filed with the director
3 pursuant to Section 52-1-4 NMSA 1978; and

4 (2) is an independent contractor.

5 B. A contractor may require, as a condition or
6 prerequisite in a contract or in a request for bids or
7 proposals, that a subcontractor obtain workers' compensation
8 coverage from a specific insurer or under a specific policy if:

9 (1) the contractor's project is worth at least
10 one hundred million dollars (\$100,000,000); or

11 (2) the subcontractor's employees would be
12 working full time solely for the benefit of the contractor for
13 ninety days or more; and

14 (3) the subcontractor's employees are covered
15 by the policy during work hours regardless of where an injury
16 might occur;

17 (4) the contractor notifies the subcontractor
18 and the subcontractor's employees, in writing, where to get
19 medical attention in the event of an injury; and

20 (5) the contractor has a formal written safety
21 program that includes:

22 (a) a full-time safety supervisor; and

23 (b) scheduled weekly safety meetings. "